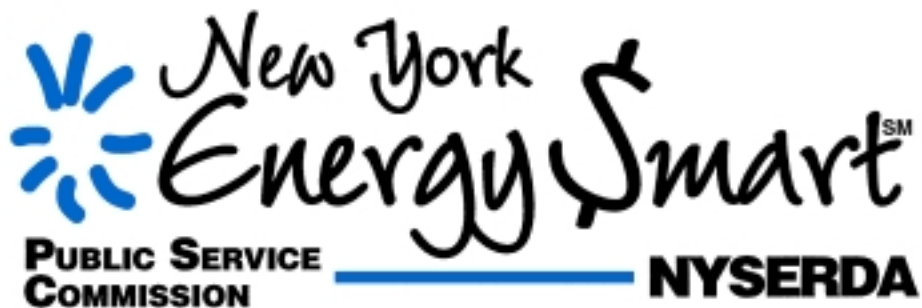


Wind Energy Program

Development and Deployment



Early Stage Program Activities

□ Situation prior to SBC 1:

- **Much talked about wind potential in NY**
- **Existing utility wind research ending**
- **Interest in green marketing in California/Pennsylvania**
- **Retail access in NY less developed**

□ Goals of SBC 1 and other early stage activities:

Introduce physical plant and sustain wind resource measurement and related research activities

□ Actions:

- **Competitive bidding for projects (PON 437-98)**
- **Wind mapping (PON 408-98)***
- **Prospecting for sites(PON 529-00)**

*** statutory**

Early Stage Program Activities

□ Results :

Approximately \$ 10 million committed :

- **Madison Wind Plant, 11.5 MW, operating since 2000**
- **Fenner Wind Project, 30 MW, nearly constructed, operation by December 2001**
- **Buffalo Wind Project, 10 – 30 MW, date of operation uncertain**
- **Prospecting, > 3000 acres under control now, 150 MW potentially operable by 2003**
- **NYS Wind Map available on-line and being used by landowners**

Madison Wind Project : 11.5 MW



Fenner Wind Project : 30 MW



Early Stage Program Attributes

□ Notables....

- **Good optics/positive public reaction**
- **Developer/landowner interest in New York is high**

□ But...

- **Very limited green retail marketing in New York**
- **Markets (private and mandated) for green energy in neighboring states are not fully developed or easy to reach**

□ Result...

Value of environmental attributes associated with Madison and Fenner energy is not recognized financially

Wind Program Budget

(work in progress)

Green Power Supply :	%	\$
Risk-sharing (Fenner Scale-up, 30MW)	6%	3,000,000
Analysis, Mapping(GIS), Coordination		950,000
Prospecting		600,000
Green Power Auction	53%	27,000,000
Green Market Development :		
Green Marketing Incentives	27%	13,700,000
Green Certificate Registry/Exchange	1%	650,000
Small Turbine Demonstration	1%	460,000
Small Turbine Applications	6%	2,800,000
Technology/Market Assessment and Education	3%	1,550,000
Total Program Budget		50,710,000

**Currently
committed
programs are in
bold**

**Funds
Committed:
\$7,410,000 (15 %)**

Green Marketing Incentives Program

Development Phase

- ☐ **PON 599-01 is an open solicitation**
- ☐ **Fund market trials/testing/research of unique and promising green product market concepts**
- ☐ **Funding commitment; \$300,000; up to \$ 100,000 per contact**



Green Marketing Incentives Program

Deployment Phase

- ❑ PON 599-01 is an open solicitation**
- ❑ Pay mature marketers for contracting with New York consumers for the purchase of green power products**
- ❑ Payments will be based on verified performance**
- ❑ Funding target is \$ 4 M annually(w/increasing marketer cost share)**
 - Year 1, \$ 3.0 M (NYSERDA cost share; 75 %)**

Renewable Energy Credit Trading Program

- ❑ PON 607-01 is an open solicitation**
- ❑ Explore creation of environmental attribute accounting and trading system(with exchange)**
- ❑ Contract commitment**
 - Fund up to three(3) entities for concept development/testing (Phase 1, \$150,000)**
 - Fund one contractor to build/deploy desired system (Phase 2, \$500,000)**
 - NYSERDA recoupment required on deployment**

Green Power Auction Program

- ❑ Program Opportunity notice to be issued in next few months**
- ❑ Competitive auction**
 - Purchase/trade of certificates**
 - Financial subsidy /contract for differences**
 - Fund subject to performance**
- ❑ Fund commitment**
 - Annual auction over 3-year period**
 - Contract length of five(5) years or longer**
 - \$27,000,000 (NYSERDA)**
 - Approx. 150 MW supported**

Small Turbine Program

- ❑ Prospective sites (100 applications) identified/ feasibility analyses underway**
- ❑ 9 Installations in three (3) sectors**
 - municipal, small business and agriculture**
- ❑ Monitor performance (includes DOE STVP)**
- ❑ Gather consumer feedback and develop “going forward” programs**
- ❑ NYSERDA funding- \$460,000 with 50 % participant cost share**
- ❑ Funding for high-value/small turbine applications to be offered in upcoming Agricultural Initiatives Program solicitation**

Technology/Market Assessment and Education

- ❑ Multiyear funding of \$ 1,550,000 committed**
- ❑ Qualified contractors selected**
- ❑ Focus of efforts:**
 - Publication of educational materials for consumers and policymakers**
 - Targeted research/assessments**
 - Program and market data analysis**
 - Training**
 - Workshops/seminars**

State Renewable Purchase Obligation

- ❑ **10 % of energy in 2005 ; 20% in 2010**
- ❑ **Qualifying technologies:**
 - Wind, solar thermal, PV, sustainably managed biomass, tidal, geothermal, methane waste and fuel cells**
- ❑ **Central procurement approach likely with NYSERDA as lead advisory agency**
- ❑ **Varied contract lengths of up to 5, 10, 15, and 20 years**
- ❑ **Expected green premium ranging between .8 – 1.5 cents/kwh over the long-term**

Unguarded Intersections...Closing Thoughts

- ❑ local political subdivisions need information**
- ❑ consumers need information/involvement**
- ❑ efficient markets do not follow prescribed paths; regardless of political and regulatory boundaries and policies**
- ❑ electric and air regulators think differently**
- ❑ coordination of state benefit funds can be a powerful tool assuming we can decide on the metrics...is it environmental quality or local economic development?**

**Look for NYSERDA program activities,
including those discussed today, at:**

www.nyserda.org ; under “Funding Opportunities”

Fenner Wind Project

